

Liberty Utilities (EnergyNorth Natural Gas) Corp. d/b/a Liberty Utilities

DG 14-380

Petition for Approval of a Firm Transportation Agreement with the Tennessee Gas Pipeline Company, LLC

Pipeline Awareness Newtork of the Northeast ("PLAN") Data Requests – Set 2

Date Request Received: 4/1/15
Request No. PLAN 2-23

Date of Response: 4/13/15
Respondent: Francisco C. DaFonte

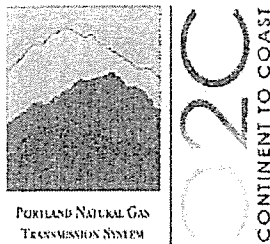
REQUEST:

Reference: Staff 2-1 and PLAN 1-25

- a) Please provide the open season documents referred to in the response to PLAN 1-25.
- b) Please provide all other documents and work papers that support the Atlantic Bridge and C2C cost estimates that were provided in the response to Staff 2-1.
- c) Would the Atlantic Bridge cost be lower for delivery to an Algonquin citygate than for delivery to Dracut via Maritimes?
- d) Please provide the open season documents for the Northeast Access project.
- e) How does the pricing for delivery from Ramapo or Mahwah to Dracut on the Northeast Access project compare with the pricing that EnergyNorth assumed for Atlantic Bridge?

RESPONSE:

- a) The open season for the Atlantic Bridge and C2C projects expired last year and are no longer on the pipeline's website. However, the C2C open season that EnergyNorth participated in is provided as Attachment PLAN 2-23.
- b) The Company has produced all information relating to its consideration of the alternative projects.
- c) Yes
- d) The Company does not have any such documents.
- e) The Company is not aware of any pricing that has been provided for deliveries to Dracut by the sponsors of the Access Northeast project.



PORTLAND NATURAL GAS TRANSMISSION SYSTEM'S *CONTINENT TO COAST* EXPANSION PROJECT

PROVIDING DIVERSITY AND CERTAINTY OF SUPPLY TO NEW ENGLAND AND ATLANTIC CANADA NATURAL GAS MARKETS

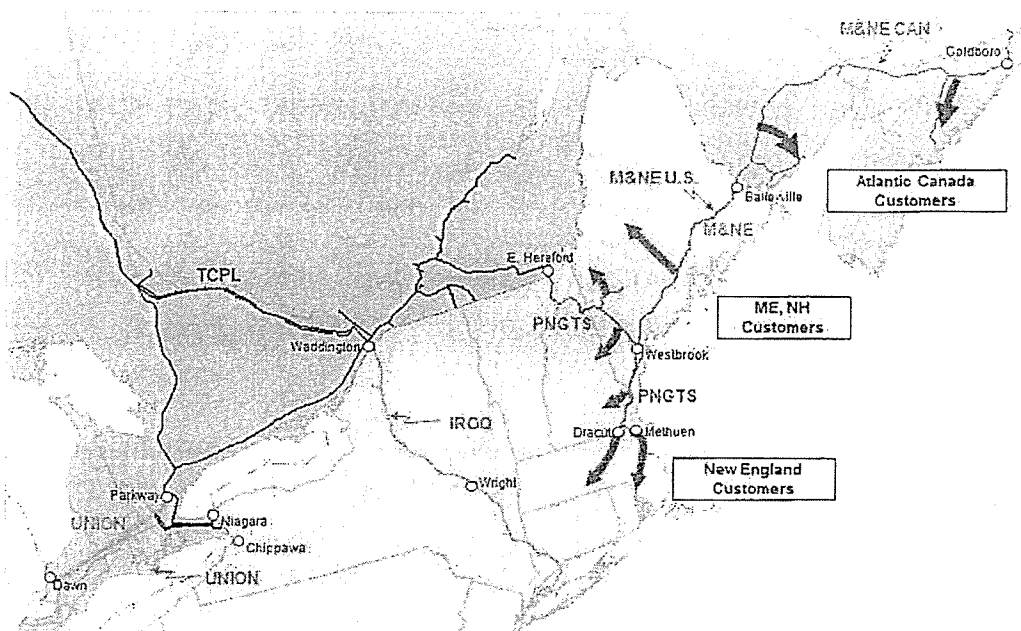
OPEN SEASON NOTICE FOR FIRM SERVICE FROM
JANUARY 12, 2015 TO FEBRUARY 27, 2015

In conjunction with new open seasons on TransCanada Pipelines Limited's ("TCPL") Canadian Mainline ("Mainline") and Iroquois Gas Transmission System, L.P. ("IGTS"), Portland Natural Gas Transmission System ("PNGTS") is pleased to announce that it is re-opening a binding open season (the "Open Season") for firm transportation on the *Continent to Coast* Expansion Project ("C2C" or "Project").

PNGTS invites existing and new customers interested in bidding on firm C2C capacity ("Bidder(s)") to submit a PNGTS Binding Request for Firm Transportation Service Form ("Bid(s)"). The Open Season will commence on January 12, 2015, at 12:00 PM EST and is scheduled to close on February 27, 2015 at 5:00 PM EST. All Bids must be received prior to the close of the Open Season.

ABOUT PNGTS

PNGTS is a high-capacity, high-pressure interstate natural gas pipeline which began serving New England's growing energy needs in 1999. PNGTS' Mainline consists of 144 miles of 24-inch diameter pipe starting at an interconnect with TCPL (via TQM) near Pittsburg, NH, continuing to Westbrook, ME, and then on to Dracut, MA. The 30" section of pipe between Westbrook and Dracut is jointly-owned with Maritimes & Northeast, and is contractually operated as two separate pipelines.



PROJECT BENEFITS

Access to North American Supply	Through TCPL and TQM, PNGTS provides a competitive option to markets wishing to access incremental supplies from a variety of supply basins.
Competitive Option into Markets	Connects suppliers to premium markets in the Northeast U.S. and Atlantic Canada, with cost-effective expansibility.

C2C PROJECT DESCRIPTION

Through the C2C Project, PNGTS contemplates expanding the capacity of its system from 168,000 Dth/day to approximately 300,000 Dth/day from Pittsburg to Westbrock. Shippers may bid on firm transportation service from the system receipt point at Pittsburg, NH, to any existing delivery point up to and including Westbrock, ME. Bidders may also bid on any delivery point on the Joint Facilities between Westbrock, ME, and Dracut, MA; however, additional incremental capacity is only contemplated between the Pittsburg and Westbrock points. Capacity along the Joint Facilities from Westbrock to Dracut will remain at its current level of 210,000 Dth/day.

The anticipated in-service date for the Project is November 1, 2017, depending on project economics, the addition of upstream facilities, in-service dates of new upstream capacity and the timing of regulatory approvals.

It is expressly understood that if PNGTS determines, in its sole discretion, that an expansion project is not economically viable, PNGTS shall have no obligation to proceed

and shall incur no liability in the event that it determines not to pursue the Project.

Bidders will be responsible for making their own upstream arrangements either directly with TCPL/TQM, or through contractual arrangements with other upstream shippers to East Hereford (Pittsburg). PNGTS, however, can assist Bidders in the coordination of the upstream contract process.

Bidders wishing to build new interconnects with PNGTS may do so at their own expense and will be asked to enter into a Firm Transportation contract.

C2C Bidding Terms:

C2C Bidders may bid either Negotiated or Recourse Rates. All bids must be receipt and delivery point specific. The minimum acceptable Negotiated Rate bid under this option is \$0.60/Dth/day, which takes into account the increase in design capacity to 300,000 Dth/day. Bidders must secure upstream contractual arrangements to match their PNGTS bids.

The required contract term is 15 years and the minimum acceptable transportation contract volume is 1,000 Dth/day. Estimated new service start dates are subject to the volume and paths bid by all Bidders and will be determined upon the close of the Open Season.

OTHER C2C BIDDING INFORMATION

Bid Evaluation	Bids will be accepted on a maximum recourse basis or at negotiated rates equal to or exceeding \$0.60/Dth/Day. Bidders may bid either the maximum Recourse Rate or a Negotiated Rate. All bids will be ranked based on rate and the capacity will be awarded in descending order starting with the highest rate bid to lowest. In the event of a tie, capacity will be awarded on a pro-rata basis. Should accepted bids be in excess of the FERC-approved Max Rate, the Max rate will apply for bid evaluation purposes.
Transportation Rates	Bidders may bid either the Recourse Rate or a Negotiated Rate. Surcharges will apply and may include fuel and/or measurement variance, industry standard charges applicable from time to time, or other fees. Recourse and Negotiated Rates are receipt and delivery point-specific. Negotiated Rate contracts may contain a Negotiated Rate

Notification to Bidders and Allocation of Capacity	PNGTS will notify all successful Bidders by March 20, 2015.
Minimum Acceptable Quantity	Bidders may specify a minimum acceptable quantity in the event that PNGTS needs to prorate the new capacity. Bids less than 1,000 Dth/day will not be accepted.
Binding Precedent Agreement	Bidders must submit an executed and completed Precedent Agreement with their Bids, signed by a duly authorized representative of Bidder. The Binding Precedent Agreement will become effective on the date that it is executed by PNGTS.
Creditworthiness	Bidders shall be required to demonstrate creditworthiness pursuant to the requirements of the Precedent Agreement and resulting Firm Transportation Contract. Submission of a Bid acknowledges that Bidder will comply with this requirement.
Upstream Capacity	Bidders will have 90 days from the effective date of the Binding Precedent Agreement to secure upstream contractual arrangements. In the event that any fixed-price offers made by TransCanada are not approved by the National Energy Board of Canada ("NEB"), PNGTS and Bidder may enter into alternate, mutually acceptable arrangements and/or rates.
Other terms and conditions of the Open Season	New service start dates are subject to a number of factors that may limit capacity or delay the new service start date. PNGTS' Open Season is subject to PNGTS obtaining all internal and external approvals, including regulatory approvals, required to provide all of the requested service on terms and conditions satisfactory to it as determined in its sole discretion.

SOLICITATION OF TURNBACK CAPACITY

Existing shippers who currently hold firm transportation capacity on PNGTS and who believe such capacity could be used in lieu of a portion(s) of the proposed Project, as defined and accepted by PNGTS, are invited to notify PNGTS of their desire to permanently relinquish their capacity for use in the Project. Existing shippers wishing to turn back such capacity must notify PNGTS in writing (either via the enclosed turnback bid form or via e-mail to cynthia_armstrong@transcanada.com) of their quantity, term,

receipt point(s), delivery point(s), contract number(s), and any other relevant information necessary to effectuate the permanent relinquishment of such capacity. For PNGTS to consider turnback requests, such notifications must be received by PNGTS by the close of the C2C Open Season. This solicitation of turnback capacity is not binding on PNGTS. Turnback requests are subject to rejection or proration based upon the results of this Open Season and this turnback solicitation as determined by PNGTS in its sole discretion. PNGTS reserves the right to reject, in its sole discretion, any turnback requests that are incomplete or that contain modifications to the terms of the turnback capacity solicitation. The final design of the Project will be based in part on the results of this turnback solicitation.

Any and all requests to turn back capacity meeting the criteria set forth herein will be subject to and conditioned on PNGTS' receipt of any and all necessary governmental authorizations on terms and conditions acceptable to PNGTS and with PNGTS proceeding with the C2C Project.

OPEN SEASON & BIDDING PROCEDURES

Timeline (all times are EST):

12:00 PM EST	Monday, January 12, 2015	BID PERIOD COMMENCES
5:00 PM EST	Friday, February 27, 2015	BID PERIOD CLOSES
12:00 PM EST	Friday, March 20, 2015	BIDDER(S) NOTIFIED OF CAPACITY AWARD

BIDDER(S) WILL HAVE 60 DAYS AFTER SUBMISSION OF THE PRECEDENT AGREEMENT TO SECURE THEIR MANAGEMENT APPROVAL AND 90 DAYS AFTER PNGTS' EXECUTION OF PRECEDENT AGREEMENT TO SECURE UPSTREAM CONTRACTUAL ARRANGEMENTS.

Bids must be submitted via e-mail to cynthia_armstrong@transcanada.com or via fax to (603) 427-2807, attention: Cynthia Armstrong.

Acceptable Bid:

An acceptable bid shall consist of:

1. A completed BINDING REQUEST FOR FIRM TRANSPORTATION SERVICE FORM executed by a duly authorized representative of Bidder.
2. A completed Precedent Agreement executed by a duly authorized representative of Bidder.

Bid Terms and Conditions:

1. Bidders are limited to one bid and one receipt point/delivery point combination per

BINDING REQUEST FOR FIRM TRANSPORTATION SERVICE FORM. Bids for additional capacity must be made with additional BINDING REQUEST FOR FIRM TRANSPORTATION SERVICE FORMS.

2. Bidders may submit only one bid for each Transportation Path. However, if a bid is withdrawn as provided for below, Bidder may submit a Bid to replace a withdrawn Bid any time prior to the close of the bid period.
3. Bids must be submitted prior to the close of the bid period.
4. Bids may be withdrawn in writing prior to the close of the bid period.
5. Only Recourse Rate bids or Negotiated Rate bids will be accepted.
6. Bidder agrees to participate in open seasons or negotiations to obtain upstream and downstream capacity as necessary to satisfy any such contingency Bidder places on its bid in this PNGTS Open Season.

Bid Contingencies:

Bidders awarded capacity will be allowed sixty (60) days from Bidders date of execution of the Binding Precedent Agreement submitted with their Bid, to obtain management approval.

Bidders awarded capacity will be allowed ninety (90) days from PNGTS' execution of the Binding Precedent Agreement (the effective date) submitted with their Bid, to secure upstream contractual arrangements.

General Conditions:

Following the evaluation of the Open Season results, PNGTS will determine and announce the scope of the Project. Any such decision/announcement will represent only an initial determination by PNGTS that, in PNGTS' sole judgment, the Project may be economically viable and capable of receiving acceptable regulatory approval. PNGTS is not obligated to provide the expansion of capacity proposed in this Open Season and will do so only if, in its sole judgment, the Project is in PNGTS' best interest. PNGTS reserves the right, in its sole discretion, to cancel or limit or reformulate the scope of the Project at any time prior to In-Service. All successful Bidders are required to meet the ongoing credit requirements of PNGTS.

If any further information is needed during the Open Season process, contact:

Cynthia L. Armstrong
Director, Marketing and Business Development
Portland Natural Gas Transmission System
One Harbour Place, Suite 375
Portsmouth, NH 03801

AOL IM: cynthiarmstrong (603) 559-5527 Office (603) 498-0782 Cell
(603) 427-2807 Fax

PNGTS Credit Contact: Rita Homan
TransCanada US Counterparty Risk
700 Louisiana Street Houston, TX 77002-2700 (832) 320-5449 Office (832) 320-6449 Fax

PNGTS BINDING REQUEST FOR FIRM TRANSPORTATION SERVICE FORM

Bidder Company: Liberty Utilities (EnergyNorth Natural Gas) Corp
Address: 15 Buttrick Road
Londonderry, NH 03053
Authorized Representative (Name): F. Chico DaFonte
Title: Vice President, Energy Procurement
Telephone No.: 603-216-3531
Fax No.: 603-421-1769
Email Address: chico.dafonte@libertyutilities.com
Credit Contact (Name): John Peellegoda
Title: Manager, Treasury
Telephone No.: 905-465-4571
Fax No.:
Email Address: John.Peellegoda@algonquinpower.com

- (1) Bid Quantity (minimum 1,000 Dth/day) 1,000 Dth/day
(2) Receipt Point Pittsburg, NH Maximum Contract Demand 1,000 Dth/day
(3) Delivery Point Berlin Maximum Contract Demand 1,000 Dth/day
(4) Minimum Quantity Bidder will accept if awarded capacity 500 Dth/day
(5) Term (minimum term is 15 years) 15 years _____ months _____ days¹

¹ Term commences on the In-Service Date of the Project.

- (6) Rate: (select one)

_____ Recourse Reservation Rate, Rate Schedule FT²

☒ _____ Negotiated Rate of \$ 0.60 /Dth/day (minimum rate is \$0.60/dth/day)^{2,3}

² Plus the Recourse Usage Rate charges and other rates and charges, set forth in Part 4 of PNGTS' FERC Gas Tariff. Surcharges will apply and may include fuel and/or measurement variance, standard industry charges applicable from time to time, plus any access, pressure or other fees

Bidder agrees that:

1. This Bid Form once received by PNGTS may only be withdrawn in writing and cannot be amended by Bidder and shall be subject to the (i) General Terms and Conditions, (ii) the applicable Rate Schedule, (iii) Base Reservation rates as specified in the Statement of Rates of PNGTS' Tariff and or Base Reservation Rates specified in the Negotiated Rate Agreements between the Parties, and (iv) any applicable surcharges. This Bid Form may only be withdrawn in writing prior to the close of the Open Season; and
2. Bidder shall submit with this Bid Form an executed Precedent Agreement containing the terms of this Bid and the capacity desired. Withdrawal of Bid Forms shall render the Precedent Agreement void.
3. Negotiated Rate Adjustment Mechanism: PNGTS may file a limited Section 4 rate proceeding to adjust the Negotiated Rates to reflect a cost of service impact of certain "Eligible Costs," defined as costs resulting from mandated compliance with new or revised requirements, regulations or legislation, that becomes effective on or after November 1, 2014, addressing (a) government-mandated environmental compliance obligations, e.g., climate change and greenhouse gas emissions, (b) compliance with the required use of best available control technology for emissions as mandated by the Environmental Protection Agency (or successor thereto), (c) Commission-mandated generic pipeline initiatives implemented on an industry-wide basis, including but not limited to the Commission's proposed policy regarding the modernization of natural gas facilities in Docket No. PL15-1-000 and (d) additional pipeline safety requirements issued by the United States Department of Transportation Pipeline and Hazardous Materials Safety Administration (or successor thereto) as a result of either new legislative or administrative regulations or mandates that alter existing pipeline safety requirements or impose new obligations. This will apply only with regard to cost of service impacts that exceed five million dollars (\$5,000,000) annually resulting from the incurrence of Eligible Costs.

Dated this 27th day of February, 2015.

Bidder Signature: /s/ F. Chico DaFonte

Digitally signed by F. Chico DaFonte
DN: cn=F. Chico DaFonte, o=Liberty Lakewa (EnergyNorth Natural Gas) Corp.,
ou=Energy Procurement, email=chico.dafonte@libertylakewa.com, c=US
Date: 2015.02.27 12:28:10 -0500

By entering my electronic signature I hereby certify that I am accepting the terms of this PNGTS Binding Request for Firm Transportation Service Form.

Name & Title: F. Chico DaFonte Vice President, Energy Procurement